

# BENEFITS TO BUSINESS, WORKERS, AND COMMUNITIES: STATE PAID LEAVE INSURANCE PROGRAMS



**I N D I A N A**  
**COMMUNITY ACTION**  
**POVERTY INSTITUTE**  
Research and Public Policy

**Date: March 31, 2026**

# PAID FAMILY & MEDICAL LEAVE

## What do we mean?

- An insurance program designed to help people financially when they need time off work

## What circumstances might be covered?

- Care for your own serious health condition
- Care for a family member with a serious health condition
- Bonding with your child (birth or adoption)
- Military deployment





# WHAT ABOUT THE FAMILY & MEDICAL LEAVE ACT?

- FMLA provides *job protection*; paid leave programs provide *financial support*.
- In Indiana, only 36% of adult workers are estimated to be both eligible for and able to afford to take FMLA (Diversitykidsdata, 2024).



# What percent of peer countries (OECD) have paid parental leave?

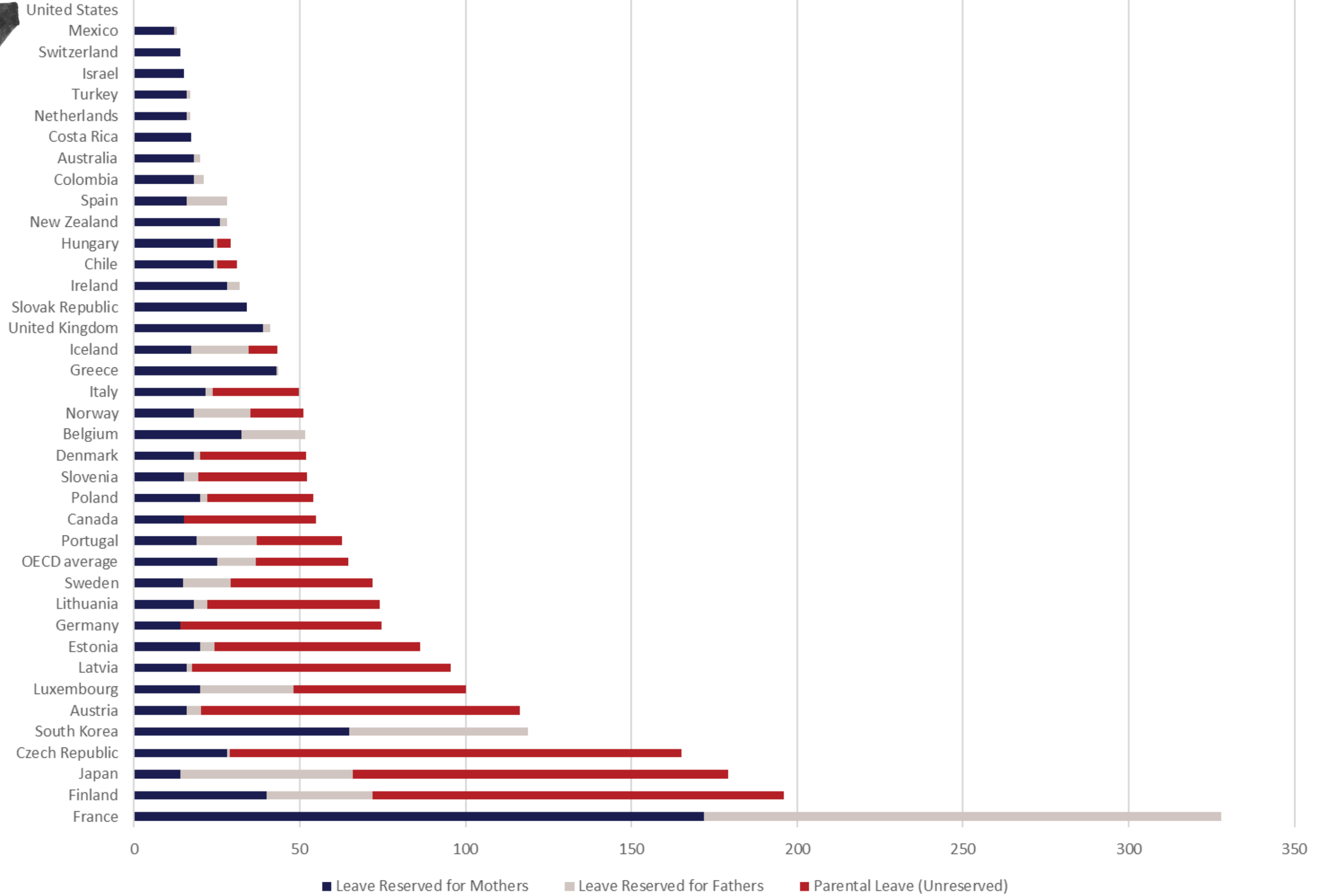
15%

38%

67%

97%

# Paid Parental Leave in OECD Countries



# Paid Leave is Popular!

74% of Hoosiers feel “implementing a paid family leave policy” is moderately or very important.



**2024 Hoosier Survey**

Bowen Center for Public Affairs

What is your  
**WHY?**

**01**

**Recruitment,  
Retention, and  
ROI**

**02**

**Improved Health  
Outcomes**

**03**

**Strong  
Relationships &  
Resilient Families**

**04**

**All of the Above**



Let's play!

BUY, BUY  
BABY

the Paid Family and Medical  
Leave Board Game

**DISCUSSION**

# Strong Relationships & Resilient Families





# Re-Centering:

STATE OF INDIANA

## New Parent Leave Policy Evaluation



check out the  
full report!



# Re-centering: Families

ICADV's evaluation of the state's paid parental leave benefits also found significant benefits for families.



Parent/Child  
Relationships



Financial Stability & Stress



Co-parenting &  
Family Relationships



# Engaged Fatherhood

## Father-Child Relationships

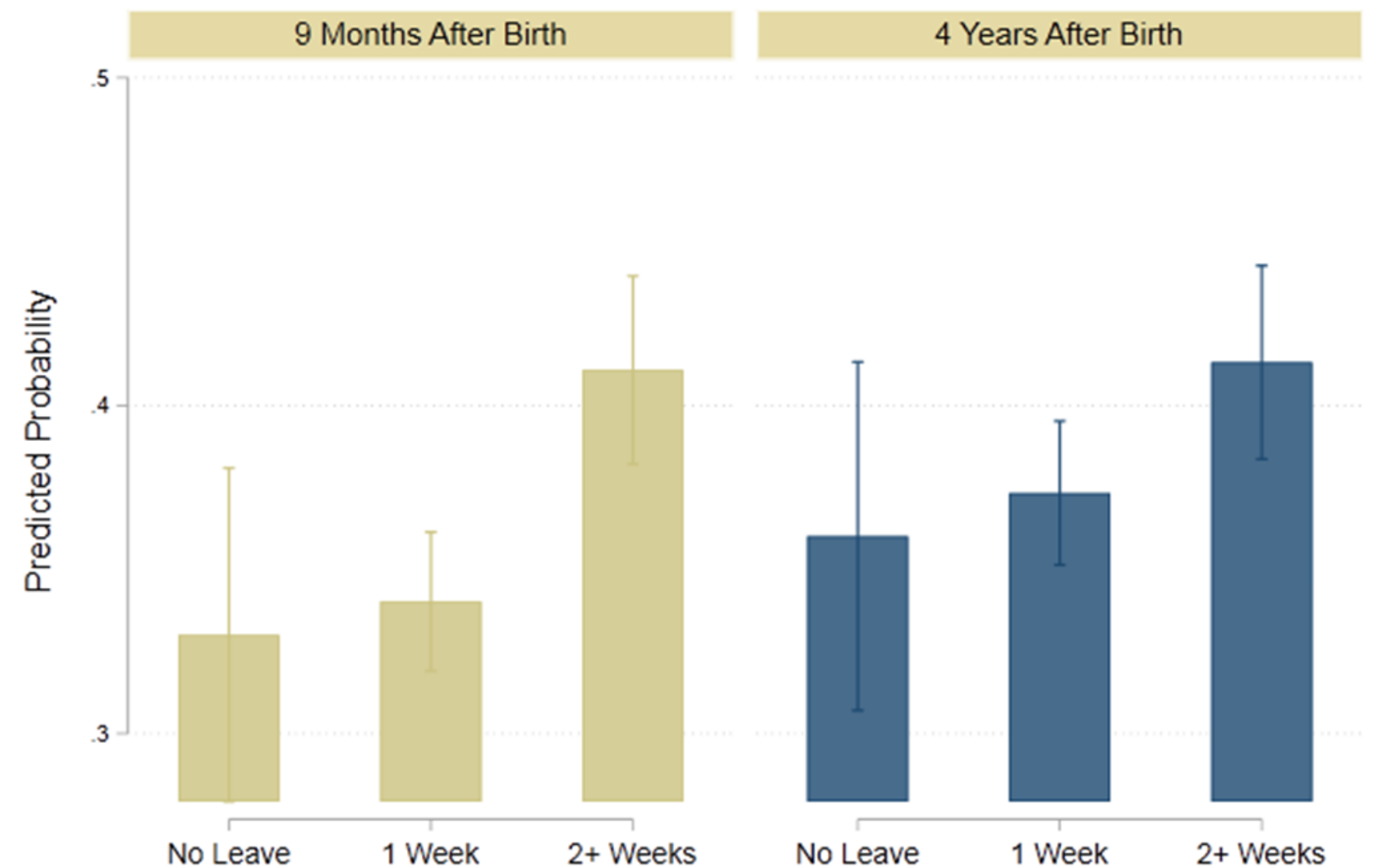
Research shows increased engagement not only during leave, but several years afterward. One theory is that fathers develop a stronger bond and identity as fathers.

## Marital Satisfaction

Mothers' view of relationship quality also improves when fathers take leave, with evidence suggesting increased relationship stability years after the birth of a child.

## Shared Responsibility

Leave-taking is associated with fathers taking increased responsibility for caregiving and household tasks.



Findings adapted from: Petts, Richard J. and Chris Knoester. 2018. "Paternity Leave-Taking and Father Engagement." *Journal of Marriage and Family* 80:1144-1162.

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This project is supported by DELTA AHEAD Cooperative Agreement (CDC-RFA-CE23-2301) from the Centers for Disease Control and Prevention. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of the Centers for Disease Control and Prevention.

**Fathering**  
Survey Results 2025

# Benefits to Business



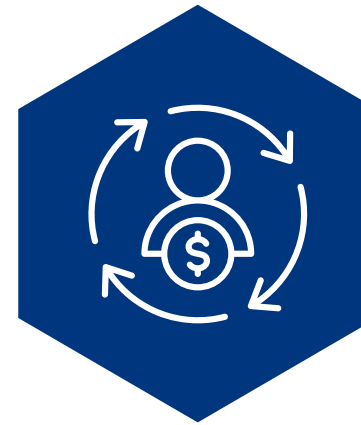
# Recruitment, Retention, & ROI



## Recruitment

Nearly [three-quarters of adults would prefer to live in a state](#) where paid family and medical leave is available.

[One study](#) found that **four of the top five benefits sought by job seekers** include supports for work-life balance.



## Return On Investment

Manufacturing firms saw a **\$2.57 return for every \$1.00 invested** in paid leave, on average, and tech companies saw a **\$2.64 return per \$1.00 invested**.

[Research suggests that](#) workers with paid leave **are less likely to relapse or reinjure themselves**.



## Retention

Replacing workers **typically costs 24% of annual wages, and as much as 150%** in some industries. Paid leave improves employee retention, especially among women.

# Recentering - Workplaces

Indiana Coalition Against Domestic Violence's evaluation of the state's paid family leave benefits found strong workplace results.



Productivity



Morale



Limited Burdens and  
Costs



# Small Biz Voices



"The low costs associated with the plan are more than outweighed by the benefits. I know my staff members are in a great place to grow with the company, and turnover and training costs have nearly wiped from my balance sheets."

-Tony Sandkamp, small business owner in New Jersey

The state's program is "a win-win situation for everybody involved...we didn't have to pay [an employee] her salary while she was away ... and my employee was able to take the time she needed and return to work happy and motivated."

-Adam Rochon, a small-business owner in California

# Health Outcomes & Costs



# Health Care Outcomes & Costs

 Infant Mortality/Preterm Birth

 Rehospitalizations/Nursing Home Placements

 ACES

 Well Child Visits/Breastfeeding

 Postpartum Mental Health

# In a single year, a paid family leave program in Indiana could PREVENT...



**220**

low-birthweight births

saving

**\$25.1M**



**1,090**

cases of postpartum depression

saving

**\$18.6M**



**2,040**

hospitalizations of infants under 1 year of age

saving

**\$7.9M**



**3,924**

older adults from going into nursing homes

saving

**\$98.9M**

TOTAL INDIANA SAVINGS =

---

**\$150.6M**

ANNUALLY!

# Let's dig deeper



# PFML MODELS

100% Employer-Covered

Partially covered by both employees and employers

100% Employee-Covered



## *Variable PFML Model*

### *Components*

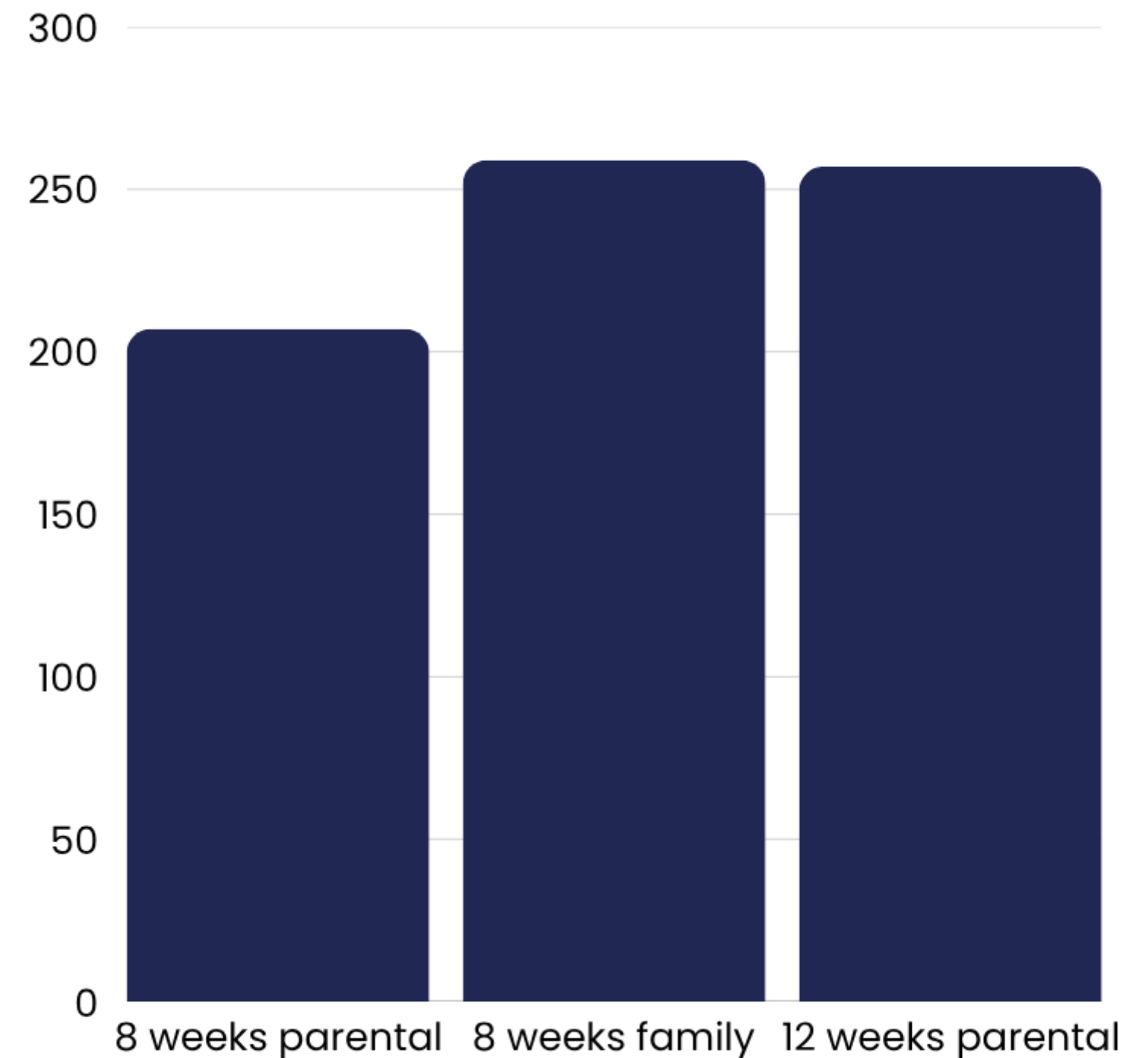
- Percentage of pay given
- Length of leave
- Length of employment needed to qualify

# Exploring Three Models for Indiana

## Budget-Neutral Cost Sharing

Three variations of paid leave programs would cost between \$200 million and just over \$250 million annually. Distributing the costs via a payroll deduction, that would mean:

- **\$1.92-\$2.56/week** (0.15%-0.20% of pay) for the typical worker if employees paid the costs
- **\$0.96-\$1.28/week** (0.08%-0.10% of pay each) for the typical worker if employers and employees split the cost





# PFML JUST MAKES SENSE



- 1 in 5 Americans is a family caregiver
- 40% of whom spend more than 20 hours a week on caregiving
- More than 60% of caregivers work a paid job
- 42% said they quit their job or cut back on their hours because of their caregiving responsibilities
- Family caregivers provide \$600 billion in unpaid labor each year caring for loved ones (AARP)
- Only an estimated 27% of civilian workers in Indiana receive paid family leave from their employers (U.S. Census Bureau, 2024)

**GET INVOLVED!**



# Extend the Learning

Would you like to bring further learning and engagement about the life trajectories of our youngest Hoosiers in a state without a paid family leave program? Contact us!



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